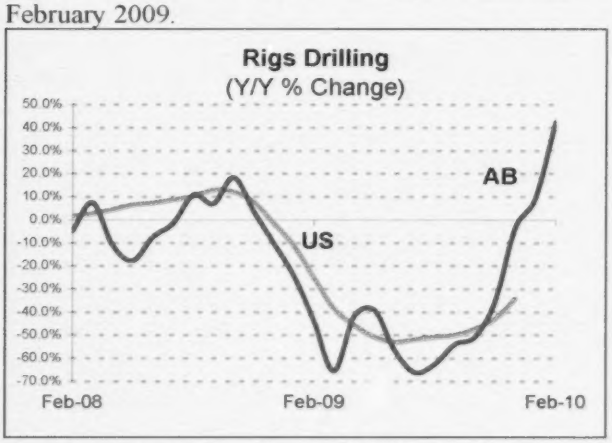
Rigs Drilling

Rebound in drilling continues in February ...

In February there were 339 rigs drilling in Alberta. This was the largest number of rigs in operation in two years and was 42.3% higher than a year earlier. Year-to-date, the number of rigs drilling is up 25.0%. Average rig utilization also increased in February to 61.0% from 51.0% in January and significantly higher than the 39.0% utilization recorded in February 2009.



Alberta data available to February 2010, US data available to December 2009

Insolvency Statistics

Bankruptcy filings moderate in fourth quarter...

Bankruptcies in Alberta in the fourth quarter of 2009 were 913 (-30.2%) fewer than the quarter previous. The entire decline was the result of 907 fewer personal bankruptcies. However, even with the quarter-over-quarter decline, the number of bankruptcies were still 164 (8.4%) higher than the final quarter of 2008. For 2009 as a whole, total bankruptcy filings were up 3,878 (59.5%) from 2008 to 10,391 in Alberta.

Real GDP

Strongest quarterly growth in nearly a decade...

Canadian real gross domestic product (GDP) grew 1.2% (a 5.0% annualized rate) in the fourth quarter of 2009, the strongest quarterly growth recorded since the third quarter of 2000. Unlike the fourth quarter results for the US which relied heavily on inventory restocking, growth in Canadian GDP was largely in strong final domestic demand which was 4.7% (annualized) higher than the previous quarter. For all of 2009, GDP growth was -2.6% which was only the third decline in the last 50 years.

Canadian Dollar (US¢/CS)	
March 5, 2010	97.22
February 26, 2010	95.00
2009-10 YTD	91.48
WTI Oil US$/bbl	
March 5, 2010	$80.21
February 25, 2010	$78.17
2009-10 YTD	$69.82
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
March 5, 2010	$4.71
February 26, 2010	$5.15

*Estimate based on Nymex Futures Market Price

Building Permits

Value of permits declines for second time in four months...

In January, the value of building permits in Alberta decreased by 28.5% from a month earlier to just under $877 million (seasonally adjusted).

Federal Budget

Deficit forecast to fall to $1.8 billion by 2015...

In the 2010 budget presented Thursday, the federal government offered virtually no changes to the tax system or government spending. The budget contains $19.2 billion (1.2% of GDP) of previously committed stimulus spending and places a freeze on the operating budgets of federal government departments. Once stimulus spending expires, the federal government expects to limit the growth of direct program spending to 1.3%. This spending constraint combined with economic growth is expected to reduce the size of the federal fiscal deficit to $1.8 billion by the 2015 fiscal year.

US Employment

Job losses moderate...

In the US non-farm payroll employment fell 36,000 in February. The unemployment rate continued to hold steady at 9.7%. Despite two quarters of economic growth, so far it has been a jobless recovery in the US similar to the 2001 recession.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2008	2009	2010YTD*	Aug	Sep	Oct	Nov	Dec	Jan
Real GDP (in 2002 $billions)	185.8	--	--	--	--	--	--	--	--
% change	0.0	--	--	--	--	--	--	--	--
Nominal GDP ($ billions)	291.3	--	--	--	--	--	--	--	--
% change	14.1	--	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,596	3,688	3,704	--	--	3,704	--	--	--
% change	2.4	2.6	2.3	--	--	2.3	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-2,535	--	--	-2,535	--	--	--
Net International Migration[1] (level)	20,039	20,074	7,976	--	--	7,976	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	2,439	--	--	2,439	--	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,961	1,975	1,985	1,975	1,988	1,995	1,988
% change	2.8	-1.3	-1.6	-1.6	-1.9	-3.4	-2.3	-1.0	-1.6
Unemployment Rate (%)	3.6	6.6	6.6	7.3	6.8	7.2	7.1	6.6	6.6
Average Hourly Wage Rate	5.7	4.3	1.1	5.9	3.7	3.9	2.5	1.3	1.1
Average Weekly Earnings[2]	6.0	3.0	--	1.2	0.6	2.0	0.9	1.2	--
Labour Income[3] NEW!	8.7	0.5	--	-2.1	-2.1	-2.2	-2.1	-1.9	--
Price Indices									
Consumer Price Index	3.1	-0.1	1.7	-1.7	-1.1	0.1	0.8	0.6	1.7
Excluding food and energy	2.1	1.4	1.1	1.3	1.4	1.8	1.0	0.7	1.1
Non-Res. Const. Cost Index[4] (quarterly)	13.2	-9.8	--	--	-14.8	--	--	-11.2	--
Farm Product Price Index	11.2	-10.6	--	-17.3	-18.8	--	--	--	--
Crops	26.2	-22.9	--	-23.6	-20.2	--	--	--	--
Livestock	2.3	0.4	--	-15.4	-13.2	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	23.6	20.7	24.6	29.9	30.2	27.3	23.6
% change	-39.6	-31.6	51.3	-8.0	-0.4	19.6	46.6	52.5	51.3
New Housing Price Index	0.7	-9.0	--	-8.9	-8.9	-7.9	-7.1	-6.3	--
Edmonton	1.0	-11.2	--	-11.4	-11.4	-10.1	-9.8	-9.4	--
Calgary	0.6	-6.7	--	-6.3	-6.4	-5.6	-4.2	-3.1	--
MLS Average Resale Prices	-1.5	-3.1	6.4	0.0	1.4	2.6	3.4	7.5	6.4
Edmonton	-2.0	-3.5	-0.7	-3.3	0.7	0.4	0.0	2.6	-0.7
Calgary	-2.9	-4.2	5.5	-0.4	1.1	2.9	4.4	8.8	5.5
Retail Sales	-0.1	-8.4	--	-10.1	-8.8	-6.5	-6.8	1.4	--
New Motor Vehicle Sales	-7.3	-21.5	--	-20.6	-15.6	-13.3	-21.3	3.2	--
Business Sector									
Public and Private Investment[5]	6.9	-25.9	2.7	--	--	--	--	--	--
Mining and oil and gas[5]	7.0	-42.6	7.3	--	--	--	--	--	--
Rigs Drilling	-2.1	-45.6	9.3	-62.7	-54.1	-50.9	-35.6	-3.8	9.3
Goods Exports (customs based)	34.6	-39.2	--	-42.6	-40.3	-39.6	--	--	--
Energy	42.5	-44.1	--	-45.1	-42.3	-41.3	--	--	--
Agriculture	32.0	-7.4	--	-9.3	-23.8	-23.8	--	--	--
Total Farm Cash Receipts (quarterly)	17.2	-6.7	--	--	-16.1	--	--	--	--
Manufacturing Shipments	7.0	-21.7	--	-25.9	-29.3	-24.1	-12.9	-3.9	--
Wholesale Trade	10.9	-14.3	--	-22.5	-20.3	-24.1	-17.1	-12.2	--
Building Permits NEW!	-16.5	-14.2	31.7	-5.0	-5.0	76.9	8.3	57.0	31.7
Residential	-31.5	-11.8	156.4	44.4	44.7	53.4	50.6	57.1	156.4
Non-residential	3.7	-16.3	-26.5	-46.6	-43.9	101.3	-19.7	56.9	-26.5

Government of Alberta ■
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins.

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2010 total based on initial investment intentions, 2009 preliminary actuals, and 2008 actuals; 2010 mining and oil and gas based on initial investment intentions

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Winter 2010)											
Real GDP Growth											
2009 (Estimate)	***-3.1%***	-5.5%	0.4%	-0.2%	-0.4%	-1.7%	-3.4%	-0.7%	-4.2%	**-3.7%**	-2.5%
2010	***2.8%***	2.4%	1.9%	1.9%	1.7%	2.2%	3.5%	2.0%	2.5%	**2.5%**	3.7%
2011	***3.3%***	4.2%	3.3%	2.4%	2.6%	2.2%	3.7%	2.4%	2.9%	**4.1%**	3.1%
Population (As of October 1, 2009)											
Population	**33,873,357**	510,272	141,374	940,397	750,457	7,856,881	13,119,251	1,226,196	1,034,974	**3,703,979**	4,479,934
Annual Growth Rate[a]	***1.2%***	0.5%	0.7%	0.3%	0.4%	1.0%	1.0%	1.4%	1.6%	**2.3%**	1.6%
Net Interprovincial Migration											
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
2010 Census Year (July 1, 2009 to June 30, 2010)		863	-283	320	38	-120	-1,748	-712	823	**-2,535**	3,457
Employment											
Level Change (000s)[b]	**-6.0**	3.9	3.4	-6.6	-4.3	18.8	-8.3	6.3	-1.6	**-32.9**	15.1
Percent Change[b]	***0.0%***	2.0%	5.4%	-1.5%	-1.2%	0.5%	-0.1%	1.1%	-0.3%	**-1.6%**	0.7%
Unemployment Rate, 2010 avg (SA)	***8.3***	14.9	9.9	9.8	9.3	8.0	9.2	5.4	4.7	**6.6**	8.1
Participation Rate, 2010 avg (SA)	***67.1***	59.6	68.4	64.0	64.5	64.8	67.2	69.7	69.5	**73.4**	66.3
Average Weekly Earnings											
December 2009	**837.08**	823.36	689.98	740.64	755.50	771.78	869.55	775.40	832.56	**959.40**	810.07
Y/Y Percent Increase[c]	***3.2%***	5.6%	2.6%	2.6%	3.4%	3.1%	4.1%	1.5%	5.6%	**1.2%**	2.8%
2010 Wage Settlements (Jan)										**0.9%**	
CPI Inflation											
January Annual	**1.9%**	3.2%	4.0%	3.1%	3.9%	2.2%	1.9%	1.7%	1.6%	**1.7%**	0.7%
Excluding Shelter	**3.0%**	3.9%	5.1%	4.2%	4.7%	2.9%	3.2%	2.7%	2.8%	**2.9%**	2.0%
Housing Starts (000s)											
SAAR January 2010	**186.3**	3.6	0.7	2.7	5.8	55.4	55.6	5.1	6.3	**23.6**	27.5
Retail Sales											
Percent Change[d]	**6.6%**	6.8%	5.6%	8.6%	7.9%	7.1%	7.6%	6.2%	4.0%	**1.4%**	8.3%
2009 YTD Retail Sales Growth	**-3.0%**	2.6%	-0.3%	0.4%	-0.1%	-0.9%	-2.5%	-0.9%	-2.3%	**-8.4%**	-5.1%
Manufacturing Shipments											
Percent Change[d]	**0.3%**	13.2%	7.1%	4.5%	36.8%	-0.7%	1.7%	-8.6%	-0.1%	**-3.9%**	-9.0%

a. Over the past 12 months
b. January 2010 Y/Y change, unadjusted for seasonal effects
c. Updated to December 2009
d. December 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada